

Questions from December 17, 2008 East of Mississippi River Maglev Grant Meeting

The meeting began with Mark Yachmetz, Associate Administrator for Railroad Development, introducing FRA staff and providing an overview of the grant and application process. He reminded the group that the grant involves a competitive process and encouraged the participants to ask questions focusing on the application process, rather than advocate for projects or technologies.

The questions resulting from the meeting are as follows:

1. We have already provided 2 copies of a Draft FEIS, map book, and technical reports. Do we need to submit additional copies with the application? (*Phyllis Wilkins, Maglev Maryland*)

No, additional copies do not need to be submitted. Reference the previously submitted copies in the application.

2. In addition to electronically submitting the application on grants.gov, can a hard copy also be delivered directly to Wendy Messenger at the FRA so that we can have a signed receipt to acknowledge on time submission? (*Phyllis Wilkins, Maglev Maryland*)

No, applications will only be accepted electronically through grants.gov. Any oversized materials may be submitted in hard copy to FRA. Due to delay caused by enhanced screening of mail arriving via the U.S. Postal Service, applicants are strongly encouraged to use other means for delivery. To confirm submission and receipt of your grant application, send an email to paxrail@dot.gov.

3. What budgetary information are you interested in for the application – does the application and statement of work focus on the SAFETEA-LU funding component or the entire maglev project? (*Frank Clark, Maglev Inc.*)

Include both components - the budget as it relates to use of the grant funds to the scope of work, as well as the overall budget for total build-out schedule, as secondary information.

4. Under the selection criteria listed in the NOFA, in the 2nd criteria, preservation of rights-of-way is listed as an important planning goal. As such, can any of these funds be used by a project for ROW purchase? (*Phyllis Wilkins, Maglev Maryland*)

Eligible project costs defined under SAFETEA-LU section 1307 are the components necessary for the fixed guideway infrastructure, which includes land costs (except for any future stations).

5. What do you see as an end product of the grant process – a Record of Decision (ROD)? (*Gerald Cichy, Maryland Transit Administration*)

What we are looking for is an end point that is closer to the demonstration of maglev, which would include a ROD. We recognize that this program is authorized through SAFETEA-LU until October 1, 2009 and it is likely to be addressed in the reauthorization, which will likely provide a clearer directive in terms of an end goal.

6. We have planned to use a design, build, operate, and maintain (DBOM) firm to shift implementation of the project to the private sector. Maryland wanted to get the FEIS out to gauge interest with private sector partners and with financial markets. Should we aim the proposed scope of funding to implement an MOU with cooperating agencies and get a provisional ROD specifying implementation conditions for this purpose, or should we be

aiming to wait for direction from surface transportation reauthorization legislation?
(Gerald Cichy, Maryland Transit Administration)

There are many steps to be taken in the maglev projects. We have established an application process designed to advance maglev deployment. Certainly what is proposed here is a step in that direction. However, we do not currently know who will be making the decisions in terms of award and the weight of the specified criteria to be applied.

7. Given the transition, what do you see happening and how would award decisions be made after the application deadline of February 13, 2009? (Frank Clark, Maglev Inc.)

After the application deadline, the new Secretary should have been or will shortly be confirmed; and the USDOT will internally develop the priorities to be used in the evaluation and award of applications.

8. How long is a ROD valid after it is issued? (Phyllis Wilkins, Maglev Maryland)

A ROD is valid for 3 years per CEQ regulations. Each phase of the NEPA process - DEIS, FEIS, ROD - each have a three year shelf life until they need to be reevaluated. That is not to say redone. If an EIS/ROD remains valid, then little or no additional work needs to be done.

9. Given that maglev is a national program, does NEPA components have a longer life? (Rick Rybeck, District Department of Transportation)

The legislation has been silent on NEPA, and all regulations are applicable.

10. Is there any connection between the maglev NOFA and the recent request for expression of interest in the high speed rail (HSR) in designated corridors? (Rick Rybeck, District Department of Transportation)

The HSR process is also technology neutral, so it does not preclude a maglev project morphing into a HSR project. While FRA has yet to issue guidance on State Rail Plans, it is likely that states will be required to include all rail plans and priorities, which could be one way that the HSR and maglev initiatives could come together. FRA defines rail to include steel wheel or maglev.

11. Under the selection criteria, the total societal benefits must equal or exceed total societal costs. Is there a standard formula? Are the criteria same as the criteria used to come up with the cost benefit in the original project description or has it been modified? (Phyllis Wilkins, Maglev Maryland)

FRA recommends the FRA approach outlined in the Commercial feasibility Study (CFS) as a starting point.

12. Should total project costs include sunk costs through private-public partnerships, such as right-of-way for land if it were already owned? (Gerald Cichy, Maryland Transit Administration)

A sunk cost is the cost of a resource which has already been consumed and cannot be recovered. If, however, the asset (land in this case) has opportunity costs it can not be thought of as "free" to a project under consideration. Land that is available for a maglev right-of-way has, almost by definition, opportunity costs. The land would almost certainly be available for competing uses, especially if it is located in a congested/urban area where its use for alternative/competing transportation services would set a high value.

To exclude the cost of the land in a comprehensive benefit/cost analysis would substantially under price whatever mode of transport is being considered.

Under SAFETEA-LU Section 1307, "full project costs" are defined as the total capital costs of a MAGLEV project, including the capital cost of the fixed guideway infrastructure of a MAGLEV project (including land, piers, guideways, propulsion equipment and other components attached to guideways, power distribution facilities (including substations), control and communications facilities, access roads, and storage, repair, and maintenance facilities), and the costs of stations, vehicles, and equipment.

The land cost should be included.

13. Can awards be made prior to January 20, 2009? *(additional question submitted in writing to FRA)*

The maglev grant program for an east of the Mississippi River project (or projects) is a competitive process, and as such no decisions can be made until all applications have been received. If applications are received from all of the three eligible projects prior to the February 13, 2009 deadline, then it is possible that review could begin early and a decision made before January 20th.

Meeting Attendees

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